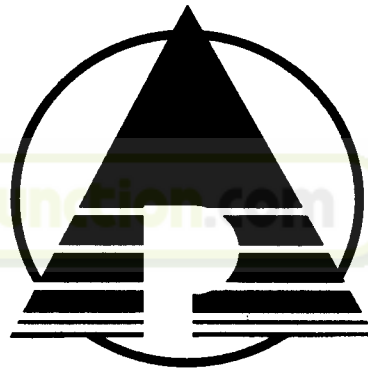


ADVANCE PETROCHEMICALS LIMITED



**19th
Annual
Report
2003-2004**

ADVANCE PETROCHEMICALS LTD.**ADVANCE PETROCHEMICALS LIMITED
19TH ANNUAL REPORT****BOARD OF DIRECTORS**

Ashok Goenka	Chairman & Managing Director
Arvind Goenka	Director
J.K. Trivedi	Executive Director
Shailesh Singh Rajput	Director
Omprakash Jalan	Director
Gaurav Mittal	Director

ANNUAL GENERAL MEETING

On Thursday, 30th September, 2004
Advance Synthetic Mills
Opp. Simla Hotel,
Narol Char Rasta,
Ahmedabad - 382 405.
At 11.00 A.M

AUDITORS

Pipara & Co.
Chartered Accountants,
201 N.R. House,
Near Popular House,
Ashram Road,
Ahmedabad - 380 009.

BANKERS

State Bank of Saurashtra
IF Branch,
Ahmedabad.

Shareholders are requested to bring their copy of the Annual Report along with them at the Meeting, as the copies of the Report will not be distributed at the meeting.

REGISTERED OFFICE

36, Kothari Market,
Ahmedabad - 380 022.

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NOTICE

NOTICE is hereby given that 19th Annual General Meeting of the Members of Advance Petrochemicals Limited will be held on Thursday, the 30th September, 2004 at the Advance Synthetic Mills, Opp.Simla Hotel,Narol Char Rasta, Ahmedabad - 382 405 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and Profit & Loss Account for the financial year ended on that date together with the Report of the Board of Director and Auditors thereon.
2. To appoint a Director in place of Mr. Gaurav Mittal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditor's and fix their remuneration and in this connection to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT M/s. Pipara & Co., Chartered Accountant, Ahmedabad be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration as may be decided mutually by the Board of Directors of the Company in consultation with the aforesaid firm of Auditors."

SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without modification, the following Resolution :

4. To Re-appoint Harish P Jain & Associates practising Company Secretaries for giving Secretarial Compliance Certificate for the financial year 2004-2005.

"RESOLVED THAT in pursuant to section 383A of the Companies Act, 1956 read with Companies (Secretarial Compliance Certificate) Rule, 2000, M/s. Harish P. Jain & Associates, Company Secretaries, Ahmedabad be and is hereby re-appointed as such to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting."

By order of the Board
For ADVANCE PETROCHEMICALS LTD.

Registered Office
36,Kothari Market,
Ahmedabad - 380 022.
Date : 28.08.2004

(Ashok Goenka)
Managing Director

ADVANCE PETROCHEMICALS LTD.

NOTES :

1. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the business under item Nos.4 as set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY IN ORDER TO BE VALID NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM DULY FILLED IN AND SIGNED SHOULD BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE START OF THE MEETING.
3. The Register of Members and the Share Transfer Book of the Company will remain closed from Tuesday, the 28th day of September, 2004 to Thursday, the 30th day of September, 2004. (Both days inclusive).
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
5. Members/proxies should bring their attendance slips duly filled in for attending the meeting.
6. Members who have not encashed their dividend warrants pertaining to earlier years may approach the share department of the Company for revalidating the warrants and for obtaining the duplicate warrants.
7. In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Gaurav Mittal retire by rotation at this Annual General Meeting.

Mr. Gaurav Mittal is serving since his appointment as Additional Director on the Board of your Company and has expressed his desire to be re-appointment.
8. Members are requested to intimate the change in their address, if any, to the Registered Office of the Company writing their folio no.
9. Members holding shares in more than one folio in identical order of names are requested to write to the Registered office of the Company enclosing their share certificates to enable us to consolidate their holdings in one folio, to facilitate better service.
10. Members who have not forwarded earlier the details of their bank account number and the name and address of the bank are requested again to send the same.
11. Shareholders seeking any information on the account or operations are requested to write to the Company at an early date so as to enable the management to keep the information ready.

ADVANCE PETROCHEMICALS LTD.

**EXPLANATORY STATEMENT IN TERMS OF SECTION 173(2) OF THE
COMPANIES ACT, 1956**

ITEM NO.4

Vide its notification dated 11.06.2002, Ministry of Finance, Department of Company Affairs, has made it compulsory for all Companies having their paid up Capital exceeding 10 lacs and up to 2 crores to obtain a Secretarial Compliance Certificate from a Company Secretary in whole time practice and attach a copy thereof with the report of the Board of Directors. Since the paid up Shares Capital of your Company falls within these parameters, company was required to make the aforesaid Re-appointment. Accordingly, re-appointment is required to be made.

Registered Office
36, Kothari Market
Ahmedabad - 380 022.
Date : 28.08.2004

By order of the Board
For ADVANCE PETROCHEMICALS LTD.

Ashok Goenka
(Managing Director)



ADVANCE PETROCHEMICALS LTD.

DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the 19th Annual Report and Audited Account of the Company for the period ended 31st March,2004.

Financial Results

	(Rs.in Lacs)	
	2003-2004	2002-2003
Gross Income	482.08	566.97
Profit before interest, depreciation and tax	21.87	25.12
Profit before depreciation and tax	13.38	12.39
Depreciation	9.00	7.88
Profit before tax	4.38	4.51
Provision for tax	—	1.50
Profit after tax	3.60	2.43
Add : Surplus as per last account	69.41	121.15
Surplus available for appropriation	73.01	69.41
Appropriations:		
Proposed Dividend	Nil	Nil
Transferred to General Reserve	Nil	Nil
Surplus Carried to next year	73.01	69.41

DIVIDEND

Due to inadequacy of profit available for appropriation during the year under review, your Directors express their inability to recommend any dividend for the year ended 31st March,2004.

REVIEW OF OPERATION

During the year under review your Company have registered a sales turn over of Rs.482 lacks in comparison to the figure of Rs.567 lacks of the previous year thus declining by amount 15% Net profit after tax has increased from Rs.2.43 lacks to Rs.3.60 lacks thus decline by almost 48% in comparison to the corresponding performance of the previous year. Increase in performance is due to Non-provision of Tax for the current year.

On marketing front, products developed during the previous year are receiving encouraging response from the market. All these products are now fully established and Company has received some huge orders for supply of Break Fluid, which will be executed during the current year.

PROSPECTS

As the economic situation is gradually reviving, Company expect to achieve encouraging performance in future. Company has developed-65 Coolant and Flame Proof Hydraulic Fluid used in defence and mining industries respectively. These two products has been

ADVANCE PETROCHEMICALS LTD.

launched and in future will lead the performance of Company.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the year review and therefore the provisions of the Companies Act, 1956. read with Company's (acceptance of deposit) rules, 1975 are applicable to the Company.

INSURANCE

All the properties of your Company have been adequately insured against fire, floods riots, earthquake, malicious damage and explosion risks.

AUDITOR'S REPORT

All the items on which comments have been made by the auditors in their Report to the Shareholders are self explanatory as explained by way of Notes to the Accounts under schedule 12 to the Balance Sheet and Profit & Loss Accounts.

AUDITORS

M/s.Pipara & Company, Chartered Accountants, Ahmedabad retire at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed. Company under the Section 224(1B) of the Companies Act, 1956 certified their eligibility.

SECRETARIAL COMPLIANCE CERTIFICATE

Company has obtained the aforesaid certificate from M/s.Harish P. Jain & Associates, Company Secretaries, Ahmedabad. A copy of it is attached herewith in Pursuant to Section 383A the year 2003-2004.

DIRECTOR'S RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the operating Management, and after due enquiry, confirm that:

- i) In the preparation of the annual account, the applicable accounting standards have been followed, including Accounting Standard 22 in Accounting for taxes on Income, which has become effective 1st April, 2001.
- ii) They have, in the selection of the accounting policies, consulted the Statutory Auditors and, read with paragraph (i) above, these have been applied consistently and reasonable and prudent judgements and estimates have been made also as give a true and fair view of the state of affairs of the Company as at 31st March, 2004 and of the Profit of the Company for the year ended on that date.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

ADVANCE PETROCHEMICALS LTD.

iv) The annual accounts have been prepared on a going concern basis.

ISO 9001-2000

Your Directors have pleasure in informing you that your Company has renewed ISO 9001 certification during the year under review from the world renowned institution for its Chemical Division. Therefore, your Company continue to enjoy coveted and prestigious ISO 9001 status. Company has successfully met all the stringent and rigorous evaluation and surveillance measures of UKAS Quality Management.

EMPLOYEES

There are no employees drawing salary of Rs.2,00,000/- p.m and/or Rs.24,00,000/- p.a. and therefore particulars u/s.217 (2A) of the Companies Act, 1956 read with Companies (particulars of employees) amendment rules 1988 is not required.

DIRECTORS

As per the provisions of Section 256 of the Companies Act, 1956 read with Article 144 of the Articles of Association of the Company, Mr. Gaurav Mittal retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Shri Ashok Goenka, Chairman and Managing Director of the Company was appointed in the same position at the meeting of the Board of Directors of the Company held on 28th July 2002. The immense and varied experience of Shri Goenka, is proving to be of immense beneficial for the over all Business operation of the Company. Keeping in view of his contribution in the affairs of the Company, the Board has increased the remuneration paid to Shri Goenka to Rs.15,000/- per month. with effect from 1.4.2003.

LISTING OF SHARES

The Equity Shares of the Company are listed on the following Stock Exchange.

Name	Address
1. The Stock Exchange, Mumbai	Phiroze JeeJee Bhoy Towers Dalal Street, Mumbai - 400 001.

Company has paid Annual Listing Fees for the year 2004-2005 at captioned Stock Exchange.

VOLUNTARY DE-LISTING OF SHARES FROM THE AHMEDABAD STOCK EXCHANGE:

During the year under review, the Company has de-listed voluntarily its Equity Shares from the Stock Exchange at Ahmedabad, being the Regional Stock Exchange, due to negligible trading thereon since listing thereon, lesser number of shareholders in the whole of the state of Gujarat, reduction in cost and the availability of the Nation wide Trading facility at the Mumbai Stock Exchange, where the shares of the Company will continue to be listed.

Moreover, with the advent of the electronic transactions, an investors can buy/sell his securities at any of the Terminal of the Stock Exchange, Mumbai spread through out India.

ADVANCE PETROCHEMICALS LTD.**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOINGS**

Our industry is not heavy consumer of energy, further during the year under review the Company made efforts to conserve energy through reduction consumption, the Company will continue to endeavor of conserve energy and use it more efficiently.

	2003-2004	2002-2003
Electricity Purchase Unit	288165	320240
Total Amount (Rupees)	1526968.00	1655524.00
Rate Unit (Rs.)	5.30	5.17

Company is having its own research & development facilities. The process of development is a continuous process resulting in development of new & import substitute products.

Company is taking all appropriate measures to observe the Technology in its area of operation. There has been no foreign exchange inflow or outgo in the current year.

PERSONAL

Your Company has been maintaining a very cordial and satisfactory relationship with its employees and your Directors wish to place on record their deep sense of appreciation for the devoted services of the executives, staff and workers of the Company.

APPRECIATION

The Board wishes to express its sincere appreciation to all the staff member for the contribution to the performance of the Company and to our valued clients, bankers, financial institutions and shareholders for the continued support and the same is expected in years to come.

Registered Office:
36, Kothari Market
Ahmedabad - 380 022.
Date : 28.08.2004

By order of the Board
For, ADVANCE PETROCHEMICALS LTD.

Ashok Goenka
(Managing Director)

ADVANCE PETROCHEMICALS LTD.

COMPLIANCE CERTIFICATE

Registration No.of the Company : 04-8013 of 1985-86
 Nominal Capital : Rs.2,00,00,000/-(20,00,000
 Equity Shares of Rs.10/- each).

To,
 The Members,
 Advance Petrochemicals Limited
 36,Kothari Market,
 Ahmedabad - 380 022.

I/we have examined the registers,records,books and papers of Advance Petrochemicals Limited (the Company)as required to be maintained under the Companies Act,1956 (the Act) and the rule made thereunder and also the provision contained in the Memorandum and Articles of Association(M & A of A) of the Company for the financial year ended on 31st March,2004. In my/our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanation furnished to me/us by the Company, its officers and agent, I/we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all Registers as stated in ANNEXURE "A" to this Certificate, as per the provisions of the Act and the rules made thereunder and all enteries therein have been duly recorded.
2. The Company has duly filed the Forms and Returns as stated in ANNEXURE "B" to this Certificate, with the Registrar of Companies (ROC),Gujarat at Ahmedabad.
3. The Company is a Public Limited Company, hence no comments are required under this para.
4. The Board of Directors (BOD) duly met Nine times respectively on 30th April,2003, 20th May 2003, 26th August 2003, 30th July 2003, 30th October,2003, 21st November, 2003, 1st December 2003, 15th December 2003 and 13th February 2004 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No resolution was passed through circulation.
5. The Company has closed its Register of Members from 28.09.2004 (Tuesday) to 30.09.2004 (Thursday) (Both days inclusive) during the financial year under review after following the necessary procedure therefor.
6. The Annual General Meeting (AGM) for the financial year ended on 31st March,2003 was held on 30th Sept.2003. As per the information/Certificate provided to us due notice to the members of the Company were given and the Resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. An Extra-ordinary General Meeting (EGM) was held during the financial year ended 31st March,2004 on 24th day of January,2004 for getting approval of the Shareholders for Voluntary De-listing of Equity Shares of the Company from the Ahmedabad Stock Exchange.
8. The Company has not advanced in to any Loan to it's Directors under Section 295 of